



CALPEEK

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CAMPAIGN 1990: FLORES BLASTS SEC. OF STATE EU FOR FAILURE TO ENFORCE POLITICAL REFORM.

If the purpose of OPPOSITION RESEARCH is to uncover solid evidence of wrongdoing or key mistakes, then GOP Sec. of State candidate Joan Flores and her campaign get a GOLD STAR for uncovering the fact that Sec. of State March Fong Eu's office has been reducing by substantial amounts, FINES against violators of CA's Political Reform Act...

...In Sacto and L.A. news conferences last week, Flores provided documents showing that Eu's office reduced 98% of the fines levied against candidates running in 1985 and 1986 for Statewide and legislative offices. Instead of collecting \$108,713 in fines for campaign contribution violations, Eu's office reduced the penalties to just \$1,700. Flores also took aim at some of the fines that have been levied against Eu herself. Documents showed that FIVE times last year the Sec. of States' office reduced fines against Eu's own campaign committee - from a total of \$26,200 down to \$650...

...Eu's campaign acknowledged the reduction in fines, but said the fines were waived or reduced because the violations were "inadvertent." But Flores said such actions are "like a judge fixing his own parking tickets."...

...Although this opposition research can be turned into a juicy, 30-second TV hit, the larger question is whether the States' many DAILY NEWSPAPERS are going to take note of Eu's past actions? Many dailies are quick to pounce on campaign violations, but are they now willing to go after the State's top election cop???

...Flores trails Eu by a huge 52% to 17% margin in the latest Calif. Poll and one good news conference won't go all that far

in narrowing the polling gap. Up until this news conference, Flores has been almost invisible. But no more and the Flores staff says they have more stuff about Eu ready to go. They'd better hurry. This story got good statewide coverage...

WILL RICHARD GANN JUMP INTO 5th S.D. RACE??

Reliable sources tell CALPEEK that Richard Gann, son of the late tax crusader Paul Gann, has been asked to become a Republican candidate for the vacant 5th S.D. A special election will be held Nov. 6 to replace John Garamendi, who resigned. Gann is president of Paul Gann's Citizens Committee and is currently campaigning on behalf of Prop. #136. More next week. Stay tuned...

CAMPAIGN 1990: INITIATIVE UPDATE-PART I.

Editor's Note: With 18 initiatives & referendums and 10 bond measures on the Nov. 6th ballot, Calif. voters are going to face the 4th longest ballot in State history. To report on & analyze these measures, CALPEEK has divided them into five groups: those which impact on the environment (5); measures that deal with taxes and tax hikes (4); measures that deal with crime (2); term limits (2); and others (5). There is some overlapping. Here is our first report & analysis on measures dealing with TAXES:

...To the question, "Is the TAX REVOLT in Calif. alive or dead?", this Nov. 6th may or may not provide an answer. Sorry for the double talk, but the fact is there is at least one scenario which would continue to leave the question unanswered. But with Calif. being such a critical testing ground on this issue, one thing remains certain: elected officials all over the U.S. will be pouring over the results Nov. 7th to see which way the tax winds are blowing...

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...In recent times, CA voters have been willing to increase taxes for a specific purpose, if that purpose is deemed necessary and urgent. For example, there was no massive revolt when State lawmakers hiked the sales tax by 1/4 cent after the October 1989 earthquake. And voters approved the GAS TAX hike in June contained in Prop. 111 (52.4% YES to 47.6% NO)...

- #134 - This is the Alcohol Surtax initiative, which is sometimes called 5 cents per drink. Polling data from both the L.A. Times and the Calif. Poll show this measure to be leading, despite an early and massive ad blitz by the NO side on radio & TV. But there are still huge numbers of people who claim to be unaware of #134 (68% in the CA Poll). The current tax on alcohol is very LOW - 1 cent per gallon on wine and 4 cents on beer. Under #134, the tax on wine would jump to \$1.29, while the beer tax would increase to 57 cents. Insiders believe this measure would have NEVER hit the ballot had the industry gone along with modest tax increases proposed by Calif. lawmakers over the past few years...

...While the initiative does have some worthwhile objectives, like other ballot measures drawn up by committee, this one has a number of flaws. One of the biggest is that none of the money in #134 goes to public schools, which is where you'd think a good alcohol abuse program might do some good. The educational establishment is OPPOSED to #134. Bottomline: despite massive hits, #134 is still leading in the court of public opinion -- for now. But if congress agrees to hike the federal tax on alcohol, all bets are off...

- #126 - This is the industry's response to #134. It calls for a modest tax hike on wine & beer, up to 20 cents; and on liquor up to \$3.30 per gallon, compared to \$8.40 under #134. The problem with #126 is CREDIBILITY. Is the industry going to really push this initiative with a heavy advertising campaign? There is no evidence so far. But the L.A. Times poll indicates slightly more support for #126 than #134 (49% YES for 126, compared to 47% YES for 134). Unlike #134, taxes from #126 are NOT earmarked for specific purposes...

- #133 - Politically, this measure is going to be fun to watch. It is the brain-child of Demo incumbent Lt. Gov. Leo McCar-

thy, who is locked in a reelection battle with GOP State Sen. Marian Bergeson. #133 would increase the State sales tax by a 1/2 cent for 4 years, with the money going to fight drugs, gangs and generally help law enforcement. ALL the major law enforcement groups are lined up with LMc. Bergeson is OPPOSED. Demo Dianne Feinstein just announced her SUPPORT this past week...

...Guess who's caught right in the middle, between the cops and his own LG running mate?? If you said Pete Wilson, you win. With most law enforcement groups backing Wilson, he can't offend them by opposing #133. So while he may vote for #133, he's ducking an endorsement for the moment. It is the "T" word which Wilson doesn't like. As for Sen. Bergeson, she's trying to lead the opposition to #133. So like abortion, Wilson & Bergeson again find themselves on opposite sides...

- #136 - We've saved the most important tax measure for last. This measure is called the Taxpayers' Right to Vote initiative and is co-sponsored by the Howard Jarvis Taxpayers Assn. and Paul Gann's Citizens Committee. If you hate taxes and regard them as rattlesnakes, then #134 is like a big King Snake. Under #136, a majority vote would be needed to raise a general tax at the local level, while a 2/3rds vote would be required to raise a special tax at either the local level or on the statewide ballot. A special tax is one which is earmarked for specific purposes - such as #133 or #134. However, those 1/2 cent sales tax hikes for transportation and jails are exempt from this constitutional amendment...

...If this measure FAILS, it can be assumed the tax revolt is in deep trouble. According to the latest Calif. Poll, voters are REJECTING Prop. 136 - 37% YES, 44% NO, with 19 undecided...

...Although there was a court challenge to #136, it was rejected as premature by the State Supreme Court. If #136 wins, odds are VERY HIGH there will be another legal battle. The key question is what impact #136 will have (if it wins) on other local and Statewide ballot measures dealing with taxes that also are on the Nov. 6th ballot? If the CA Supreme Court rules that #136 is valid, then #133 and #134 would both require a 2/3rds vote for passage...

...BOTTOMLINE: to increase taxes at a time when the economy is fragile isn't a smart move. Whether Calif. voters will follow that rule of thumb remains to be seen. As for the tax revolt, if #133, #134 and #136 ALL win, then the question will remain a puzzlement. If #136 (Taxpayers' Right to Vote) wins and the others are defeated, then the revolt is still healthy...

CAMPAIGN 1990: TARGETED ASSEMBLY CONTESTS.

Editor's note: Here is Part II of our continuing coverage of Calif. legislative races. This week's focus is on the 24th, 27th and 68th Assembly Districts...

- 24th A.D. - This is the San Clara Co. district of Dominic Cortese(D-San Jose), who was first elected to the assembly in 1980. In 1986 he easily defeated his GOP rival by a 63% to 37% margin, but in 1988 Republican Buck Norred gave Cortese a run for his money. Norred lost, but his 46% showing (to Cortese's 54%) has given the GOP Assembly Caucus some hope at ousting the veteran Demo lawmaker...

...The candidate the Republicans are counting on is 39-year-old San Jose businessman Ron Granada, who is a PRO-CHOICE candidate. He is the only GOP challenger facing a Demo incumbent who is endorsed by the CA Abortion Rights Action League(CARAL). For those who may have forgotten, Cortese is one of a handful of PRO-LIFE Demos in the Assembly and is thus a CARAL target. Granada's campaign is run by Western Pacific Research of Bakersfield...

...Is there a chance Granada could pull an upset? YES. Cortese was recently arraigned on a misdemeanor violation of the political reform law, which forbids elected officials from receiving gifts arranged for by lobbyists. In this case, Cortese got a FREE home painting job. This could be damaging to the former Santa Clara Co. supervisor, except that Granada isn't exactly squeaky clean either. He has had some child support problems, went through a messy divorce and bankruptcy -- which he admitted publicly before any dirt was tossed his way. But when it comes to MONEY, there's not much contest. Granada is scrambling for dollars, while Cortese is in good shape for an incumbent...

...Bottomline: Despite the targeting by CARAL and the GOP Assembly Caucus, Cortese

should have little trouble winning again, UNLESS the misdemeanor contribution violation charge gets out of hand...

- 27th A.D. - This is the Central Valley district of freshman Demo Sal Cannella, who defeated GOP rival Dick Lang by a 53% to 47% margin in a Feb. 5 special election. Cannella and Lang are tangling once again Nov. 6th...

...Lang, who is a Modesto councilman, is said to be having money problems, just like other challengers, but Demo insiders think the State GOP will kick in substantial independent funds in an effort to make the race close. One item to watch: the match for governor. The GOP hopes that perhaps U.S. Sen. Pete Wilson will have "coattails" to help guys like Lang. Ron Cook is managing the Lang campaign...

...As for Cannella, consultant Clint Reilly is once again running the show, with the daily management by Phil Giarrizzo. Money is tight for Cannella too, but the campaign feels confident it will have enough to do the job. Cannella has a heavy schedule in the district and the strategy calls for a massive grassroots effort in November. 100 precinct captains have already been lined up and the campaign is working on what it calls the Committee of 1000 - key endorsements from groups and individuals in the 27th A.D...

...Bottomline: Both Lang and Cannella are PRO-CHOICE moderates. And while Lang has started on the Jerry, Willie and now Kathleen Brown bashing binge, there is no evidence these tactics are making headway. Cannella should win again...

- 68th A.D. - This is the Inland Empire district of Demo Steve Clute, who is what you'd call the PERENNIAL Republican target. Some sources think the GOP had their best candidate in 1986 when Matt Webb was the challenger. In 1988, the GOP contender was Brian Carroll. The Assembly Republican Caucus spent \$1.2 million and finished way short, with Clute winning 56% to Carroll's 44%, meaning Clute ran 2 pts. over registration. The current registration is 52.8% Demo to 38.4% GOP...

...Enter the newest Republican challenger, Clay Hage, who won a contested primary with 54.5% over Councilman Terry Holbert of Ban-

ning. Hage, who lists himself as a local businessman, is running a more aggressive race than others who have challenged Clute. Chalk that up to Hage's background in politics and campaign management. And while Hage is conservative, he's also PRO-CHOICE. The main Hage themes are that Clute is too liberal for the 68th A.D. and isn't doing a good job. Hage disagrees with just about everything Clute does or says — on issue after issue. In addition, Hage is a supporter of Prop. 140, the 3-term limit for assemblymembers. If there is an anti-incumbent feeling, this might aid Hage. Hage's consultants are Ellis/Hart Associates...

...Gayle Kaufman, who is again running the Clute reelection effort, says Hages' accusations are same vague charges Carroll made in 1988. Hage has been peppering the district's news media with releases, but Kaufman claims there's been little coverage so far. "Hage has yet to set the world on fire," Kaufman told CALPEEK...

...In terms of money, Clute isn't a great fundraiser and this time around the Demo Assembly Caucus won't be able to help. But Clute is now a member of the Assembly's W&M and G.O. committees, two of the best JUICE committees in Sacto and so he'll probably be okay. Hage has gotten help from owners of mobilehome parks in the area (he used to work for the Western Mobilehome Assn.), but this could be a negative too. And keep your eyes on INDEPENDENT EXPENDITURES. It is rumored the NRA may target Clute...

...Bottomline: At this point, Clute is a favorite to win reelection. However, a heavy Republican effort in 36th and 37th C.D.s could indirectly aid Hage's campaign in the 68th A.D. Stay tuned...

CA BOND MEASURES: CONTACTS & TELEPHONE #s.

Editor's note: There are 10 bond measures appearing on the Nov. 6th ballot. Unlike some of the initiatives, there isn't much to push FOR these measures, thus few campaign committees have been formed. Yet the price tag for these bonds are nearly \$3.5 BILLION. Here's CALPEEK's rundown...

- #142 - \$400 million in Cal-Vet bonds for housing. NO formal committee as yet. Contact Tom Jones (916)445-2025...

- #143 - \$450 million in higher education

facilities bonds. Official committee is Californians for Higher Education, with consultant Gaye Lopez managing the YES campaign. (916)443-5102...

- #144 - \$450 million in prison facility bonds. NO formal committee as yet. Contact Assemblyman Willard Murray at (916)445-7486...

- #145 - \$125 million in housing bonds for low income construction and earthquake safety rehabilitation. Also reauthorizes \$200 million in previously approved bonds for use by 1st time home buyers. NO formal committee as yet. Contact State Sen. Ken Maddy at (916)445-9600...

- #146 - \$800 million in school (K-12) facility bonds. Official committee is Californians for Schools. Contact Peter Birdsall at (916)441-3302...

- #147 - \$225 million in county jail and juvenile facility bonds. NO formal committee as yet. Contact State Sen. Bob Presley (916)445-3572...

- #148 - \$380 million in water reclamation facility bonds. NO formal committee as yet. Contact Assemblyman William Filante at (916)445-7827...

- #149 - \$437 million in parks, beaches, recreational and historic facility & acquisition bonds. Official committee is Californians for Recreation, Parks & Wildlife. Contact Linda Adams at (916)457-7750...

- #150 - \$200 million in county courthouse facility bonds. NO formal committee as yet. Contact Speaker Willie Brown at (916)445-8077...

- #151 - \$30 million in child care services bonds. NO formal committee as yet. Contact State Sen. Diane Watson (916)445-5215...

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